



**12/8/09 Rebuild Iowa Coordinating Council**  
**RIO Legislative Proposals for 2010 Iowa General Assembly**

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**NEW Rebuild Iowa Office Proposals**

1. Smart Planning – **See Attachment pp. 2-3**
2. Institutionalizing Case Management – **See Attachment pp. 4-5**
  - Individual Case Management/Department of Human Services responsibility
  - Business Case Management task force recommendations due 11/15/2010

**Recommendations with potential to result in legislation:**

1. HF705 – Weather Safe Rooms – Best Practices Recommendations Due 12/15/09
2. HF756 – Flood Plain Management – **See Attachment pp. 6-8** (Recommendations A – P submitted for drafting), and see <http://www.rio.iowa.gov/wrcc/resource.html> for more information
3. HF759 – Flood Insurance Procurement – **See Attachment pp. 9-13**



**Iowa Smart Planning Legislative Proposal  
Rebuild Iowa Office  
November 2009**

**Smart Planning Legislative Proposal**

**Background:**

- Iowa currently has planning efforts through COGs and local governments
- A greater level of integrated, comprehensive planning in Iowa would contribute to:
  - Better land use decisions
  - More protected development
  - Mechanisms for coordinating concerns of multiple jurisdictions
- RIAC called on the State to “lead in developing guidance and support for integrated, regional planning to address recovery and leverage multi-jurisdictional strengths for ongoing initiatives” (Recommendation #8).
  - Also called for local comprehensive planning and establishing a state resource devoted to integrating program and planning functions.
  - RIO’s Proposal answers this call and integrates concepts described in the 120-Day report.

**RIO’s legislative proposal will contain three components:**

**Smart Planning Component #1: Adopt Iowa Smart Planning Principles**

- Iowa shall protect, maintain, and wisely utilize its built and natural environment by incorporating Smart Planning Principles in development and resource management decisions.
- These principles shall guide development and coordination of State policies, programs, and investment decisions to ensure Iowa grows in a manner that
  - improves resilience in the face of natural disasters,
  - grows and adapts our economy,
  - protects our natural resources, and
  - safeguards our quality of life.



- **Proposed Iowa Smart Planning Principles**

1. Stakeholder, Community & Regional Collaboration in Development Decisions
2. Advance Equity: Predictable, Fair & Cost Effective Development Decisions
3. Promote Clean Energy Production & Increased Energy Efficiency
4. Increase Diversity of Job & Business Opportunities
5. Concentrate Development & Mix Land Uses
6. Expand Diversity in Housing Opportunities & Choices
7. Foster Distinctive, Attractive Communities with a Strong Sense of Place
8. Protect, Preserve & Wisely Utilize Natural Resources & Working Lands
9. Incorporate Green Building & Infrastructure Design
10. Provide for a Variety of Transportation Choices

**Smart Planning Component #2: Adopt Local Comprehensive Planning Guidance**

- Outline definition and basic components of a local comprehensive plan
- Allow communities to go above and beyond
- Coordinate with flood plain management recommendations

**Smart Planning Component #3: State Smart Planning Taskforce**

- Taskforce will recommend a structure for greater coordination of statewide planning and State assistance needed to support local comprehensive planning, including integration of smart planning concepts.
    - Smart Planning Goals and measurements
    - Integrate Smart Planning Principles into all appropriate programs
- Develop State planning and coordination structure



**Proposal for**  
**Institutionalization (Codification) of Disaster Recovery Case Management**  
**For the State of Iowa**  
**For Individuals and Businesses**

**Disaster Case Management Draft Legislation - Individuals**

29C.20A

5. The department will work with not-for-profit, voluntary, and faith-based organizations active in disaster recovery and response in coordination with the homeland security and emergency management division to establish and coordinate a statewide system of disaster case management to be activated following the governor's proclamation of a state of disaster emergency or the president's major disaster declaration. The department will coordinate the provision of services locally through local committees as established in each county's emergency plan. The department will draft the rules to create coordination mechanisms and standards, which rules shall address the following:

- DHS will work in conjunction with Iowa Homeland Security and Emergency Management Division and the Iowa Disaster Human Resource Council (the state representative to the National Voluntary Organization's Active in Disaster) to draft rules providing the specifics of this coordination system. This will include, but not limited to:
  - Disaster case management standards
  - Disaster case management policies
  - Reporting requirements
  - Eligibility
  - Coordination mechanisms necessary to carry out the services provided
  - Develop formal working relationships with agencies and create inter-agency agreements for those considered to provide disaster case management services.
  - Provide a central point of coordination of all available services from multiple agencies for individuals.

**Disaster Recovery Case Management – Business Task Force**

A business case management task force shall be established to research business disaster recovery case management assistance needed following a major disaster and recommend action steps for preparing to provide such assistance in future disasters. Task force members should consult experts, impacted businesses and other interested stakeholders. Recommendations will be delivered to the Governor and General Assembly no later than November 15, 2010. The Rebuild Iowa Office shall provide staffing for the task force. The members of the task force shall not receive a per diem and shall not be reimbursed



for their actual and necessary expenses while in attendance at any meeting and shall not be reimbursed for their expenses for going to and from a meeting. Telephonic meetings are acceptable.

The task force shall consist of a representative of all of the following:

- (1) Iowa Small Business Administration
- (2) Small Business Development Centers (SBDC)
- (3) Safeguard Iowa Partnership (SIP)
- (4) Professional Developers of Iowa
- (5) Iowa Association of Business and Industry (ABI)
- (6) Iowa Retail Federation
- (7) Iowa Department of Economic Development
- (8) Homeland Security and Emergency Management
- (9) Two business owners appointed by the governor



***Subcommittee of the Water Resources Coordinating Council  
To Focus on Recommendations required by HF756  
(WRCC Established under Iowa Code Chapter 466B)***

**RECOMMENDATIONS**

**Approved by the Water Resources Coordinating Council 11/6/09**

**INTRODUCTION**

2009 Iowa legislation, [HF 756](#), requires the state's Water Resources Coordinating Council ([WRCC](#)) to submit policy and funding recommendations that promote "a watershed management approach to reduce the adverse impact of future flooding on this state's residents, businesses, communities, and soil and water quality."

The Water Resources Coordinating Council approved the following policy recommendations at its meeting on 11/6/09:

**Regulatory Recommendations**

- A** The 0.2% flood should be the regulated flood plain instead of the 1% flood. This change should be phased in as the 0.2% flood plains are identified on Flood Insurance Rate Maps published by FEMA. Potential funding assistance has been identified in recommendations G and K.
- B** The State should prohibit reconstruction of substantially damaged structures in the floodway and limit reconstruction or new construction in the flood plain to no more than 3 vertical feet of fill above the natural ground line. Means other than fill to elevate structures may be allowed. These provisions do not apply to features and structures necessary for the construction or maintenance of utility facilities, transportation, water control facilities, or public infrastructure that are otherwise subject to permitting requirements by state and federal regulations.
- C** Areas on the landward side of a flood control levee recognized by the Federal Emergency Management Agency as protecting against the 0.2% flood should not be considered as being in the 0.2% flood plain and should not be subject to the regulations for the 0.2% flood plain.
- D** New Class I Critical Facilities should be located outside the 0.2% flood plain whenever practical. New Class I Critical Facilities should also be designed and located as to maintain their function during a 0.2% flood whenever practical.
- E** Explore opportunities for enhancing and implementing minimum statewide stormwater laws and regulations, including, but not limited to, limiting water runoff, reducing future flood damage, focusing on stream channelization, and improving water quality.
- F** Amend National Pollutant Discharge Elimination System (NPDES) permits to require soil quality restoration after one or more acre of land is disturbed, including, but not limited, to mitigating soil compaction and replacing top soil after construction is complete.



### **Planning and Project Recommendations**

**G** Focus public investments in levees on built-up areas where there are no other practicable alternatives for mitigating flood damage risks. Elsewhere, reconnect streams and rivers to their flood plains through levee modifications or removal, coupled with compensatory agreements with farm owners that provide for continued farming with higher assumed flood loss risks. Provide \$10 Million annually for rural levee modification and farmland compensatory agreements.

**H** Provide interagency assessment and project planning to support and inform infrastructure / easement / land purchase investment decisions in flood plain areas.

**I** Integrate multi-purpose wetlands into watersheds with drainage districts or larger drainage systems. Systems would be retrofitted to enable nutrient trapping and treatment; more water infiltration and evapotranspiration; greater retention of run-off; and habitat to support biodiversity. Maintain a holistic view of watershed management and targeting funds and programs within those watersheds.

**J** Conduct a hydrological tiling study to determine the impact tile drainage has on infiltration, surface runoff, and flooding and to evaluate the feasibility of seasonal retention of water in tile drained fields as a drainage management strategy. The impact of potholes, wetlands and water retention structures should be considered in the study.

**K** Fund planning, implementation and monitoring of a pilot HUC-12 urban/rural watershed demonstration. (A HUC-12 is a hydrologic unit termed a “subwatershed” by the US Geological Survey. A HUC-12 averages 40 square miles, with a range from 10,000 to 40,000 acres.) The pilot project should integrate the following:

1. Maximizing soil water holding capacity from precipitation.
2. Minimizing severe scour erosion and sand deposition during floods
3. Managing runoff in uplands under saturated soil moisture conditions
4. Structural and nonstructural flood damage reduction and mitigation strategies.

It is recommended to plan for total costs of \$35 million, with \$23 million in state funds leveraging \$12 million of local funds.

### **Research and Education Recommendations**

**L.** Support the formation of a local chapter of the Association of State Flood Plain Managers in Iowa that would provide a vehicle for local managers and planners to discuss flood plain issues and learn from each other.

**M** The Iowa State University Extension, working in conjunction with flood plain and hydrology experts, should be tasked with and appropriated funds for educating the general public about flood plains, flood risks and basic flood plain management principles.



1. Develop a state-wide soil moisture monitoring network for assessing flood risk through the Iowa Water Center and Leopold Center for Sustainable Agriculture, both at ISU; and make extensive use of existing tools and knowledge focused on soil health, specifically, the NRCS Soil Conditioning Index as a common metric for improved agronomic and conservation practices.
  - *Projected Costs: \$170,000 (\$85K/yr for 2 years, doesn't include indirects)*  
Expand Iowa Daily Erosion Project (WEPP model) for a statewide soil moisture monitoring network by synching with LIDAR and real time satellite data. Yr.1: Supplies \$5,000; 30K (salary for 6 months) to rewrite/optimize IDEP scripts and automate input of new management scenarios; \$90K (salary for 1 year) for coding IDEP point sampling (6 months), hillslope delineation (4 months), and rotation database (2 months); and 45K to create and code methodology to determine residue cover (6 months).
2. Develop educational materials and programs in consultation with flood plain experts
  - *Projected Costs: \$370K (\$100K year 1; 85-90K/yr for years 2-4)*  
1 FTE – 80 K Salary & Benefits, 10K for current expenses, materials prep, & transportation; 10K for trainings and meetings (YR 1); 85-90 for salary, benefits and expenses for following years
3. Expand use of existing integrated farm/land resource management tools, specifically I-Farm, to assist planners, landowners, and farmers to plan and create infiltration systems to accommodate one inch rainfalls and support conservation and business planning
  - *Projected costs: \$1,000,000 (250K/yr for 4 years)*  
Redesign of I-FARM user interface to increase user accessibility; re-code the algorithms in a newer, more flexible and maintainable programming language; and create a set of optimization algorithms and results visualization methods for users that return an overall “optimize” solution among alternatives and their environmental impacts, profitability, etc.

**N** Include flood plain or alluvial soils information as part of the disclosure form used as part of real estate transactions.

**O** Reassess criteria for conservation practices because of changing climate.

1. NRCS Field Office Technical Guide (conservation criteria)
2. NRCS Engineering Field Manual (design criteria)

**P** Develop and implement a statewide watershed education and outreach marketing campaign, as outlined in HF2400. Estimated first year funding is \$1 million.





## **Recommendations for consideration relative to increasing the purchase of flood insurance**

Submitted for the Insurance Division, Rebuild Iowa Office, and Homeland Security

HF 759 directed the Insurance Division, working with the Rebuild Iowa Office and Homeland Security and Emergency Management, to provide recommendations to the legislature that would incentivize the sale of an increased number and percentage of homes and businesses covered by flood insurance.

In the legislative interim, these agencies were joined in their efforts by the Department of Natural Resources, which has provided important assistance and information. Several meetings of the group included representatives of FEMA as well. Special meetings were held with other agencies and organizations such as the Division of Banking, the Division of Credit Unions, Professional Licensing, the League of Municipalities, the Iowa Association of Counties and the Real Estate Commission in order to get the perspective of interested parties who have oversight over potential parties in this process. Members of the group studying these issues attended Flood Forums held in Cedar Rapids, Wapello and Mason City, where they heard directly from flood victims and local insurance agents and homeowners as they came by the agency booths.

The coalition of agencies charged with examining the issues related to the sale of flood insurance and proposing a plan for improvements looked at a wide range of factors including: agent awareness and education, the part that lenders play in requiring flood insurance on mortgaged structures in a flood zone, the current status of flood plain mapping, the lack of participation in the National Flood Insurance Program by a significant number of Iowa's municipalities and counties, a resistance by consumers to pay for flood insurance premiums in addition to homeowners coverage, homeowner lack of knowledge about prior flood damage or FEMA payments occurring in connection with their property before they purchased it, poor assessments of flood risk by vendors hired by lending agencies to determine that risk, direct transfers of property that do not require the buyer to purchase coverage for flood insurance for loan purchases and many other individual versions of the transactions related to property transfers of homes in and out of flood zones.

Based on our meetings and the information gained over the last few months, this group proposes the consideration of the recommendations that follow. It must be noted that many of these are for measures that reduce or draw upon state revenue resources that we know are in increasingly scarce supply. Other non-monetary suggestions impose new restrictions and requirements on the sale and transfer processes or the agent/client relationship, some of which may generate resistance and opposition to the proposals from some of the parties involved. Nevertheless, these possible approaches are provided for consideration:

### **Recommendations for legislative or other changes**

#### **Financial Incentives**



1. Incentivize the purchase of flood insurance by offering consumers a tax credit for new flood insurance policies they purchase. These tax credits should be based on the requirement that coverage should be for both property and contents, and should, to the extent possible, be for the full value of the home. We have heard repeatedly from agents who engage their clients in the discussion about flood insurance that the clients resist the purchase if they can avoid it, or will elect minimum levels of protection if protection is required. This minimum protection helps the lender by covering the amount of the loan, but may leave the consumer with a large personal risk. As an example, a \$300,000 home could be insured for the program maximum of \$250,000 and could have \$100,000 worth of contents coverage. If that homeowner had a lot of money down or otherwise had a large amount of equity, it could be that the amount of the mortgage on the home might be \$100,000. A \$100,000 structure flood policy would satisfy the bank's requirements. However, a flood could destroy the house and contents totally, for a loss totaling \$400,000 which would only be protected for 25% of its value if the consumer chose that minimum arrangement. The group considered incentivizing the agent's activities by excluding qualifying first time flood insurance commission amounts from taxation, but agents told us the real need to move the process is on the buyer side of the transaction. *The tax credit's impact on state revenues would depend on the number of new policies purchased, the geographic location of the properties insured, and their value. Also the incentive would diminish in impact as the percentage of the purchase price of the policy is lowered. As a very rough estimate, if as a result of this proposal there was a 20% increase in the number of policies sold and the average cost of the policies was similar to a statewide average cost and the credit was for 25% of the purchase price, the following calculation would apply:*  
*Policies currently in force (c. 14,000 ) X Estimated new policies (20%) = 2800 policies. That number of policies if qualified for the tax credit at the state average for policy cost ( c. \$600 each) would result in about \$1,680,000 in total policy cost, would mean for a 25% credit about \$420,000 in tax credits. The actual numbers and amounts could vary significantly and is therefore difficult to predict.*
2. Financially support the marketing efforts of sellers of flood insurance. FEMA currently provides support for sellers of flood insurance by providing a 75% subsidy of yellow page advertising fees for listing as agents under "flood insurance". The state could further assist in this simple way of helping consumers looking to purchase flood insurance protection in their communities by paying the additional 25% of the advertising cost, or some portion of the 25%. *We have so far been unable to get the amount FEMA spent in Iowa to provide perspective on how much this might cost our state if we implement this proposal.*
3. FEMA is currently engaged in a three county pilot project in Iowa in which they have solicited the participation of insurance agencies. In this project, a FEMA-trained trainer visits each participating agency, providing its agent force with materials and knowledge about the flood insurance program. FEMA also pays for a mailing to a defined number of the agent's



homeowner clients on the topic of flood insurance, with the intent of the letter being to ask the client to schedule a meeting with the agent to review coverage, including flood insurance. The assumption driving this pilot program is that increased conversations about flood insurance will translate into increased enrollment. The state could expand this program to all counties. This would involve hiring and supporting a small number of FTEs, possibly housed in the Insurance Division, to travel to a number of assigned insurance agencies and provide outreach and education activities to agents and consumers. The state could replicate the FEMA financial support of the marketing letters. Alternately, one or two FTEs could train volunteers who would then serve as agent trainers (emulating the model used for the federally-funded Senior Health Insurance Information Program). *The cost of this would be dependent on the number of FTEs assigned to the task and the cost of their travel across the state in the performance of their duties.*

**Processes leading to improved awareness of risk, leading to acquiring necessary protection.**

1. Anecdotes of flood victims who indicated they were unaware of the fact that their home was in a flood zone or had previously suffered flood damage unknown to them were not uncommon following the floods of 2008. The state could require changes to the real estate disclosure form to assure that buyers of properties know of the buildings status and history so that they can adequately protect themselves against losses from floods. It should be noted that this could be done through a change in administrative rules. The nature of the proposed changes are as follows:
  - a. A change in disclosure language from a question now reading “Flood Plain. Do you know if the property is located in a flood plain? to one that would read “ What is the flood plain designation that has been assigned to the property?”
  - b. Add a question that could be labeled “History of Flooding.” The question could be “has this property ever been inundated by a flood and/or received payment for flood insurance damage or federal assistance for flood damage.” We learned of cases where each of these events had previously occurred but this information had not been disclosed to the buyer. Homes that have received flood related disaster assistance from FEMA will not receive any future FEMA assistance unless they are covered by flood insurance, so flood insurance is even more critical for protection of such homes.
  - c. Establish a penalty for intentional non-disclosure, applicable to the seller and the seller’s agent, to the extent the parties knew or should have known of prior losses.
2. Require a check-off form with the applicant for insurance acknowledging in writing that the insurance agent selling the coverage has discussed the need for flood insurance with the client, but the client has declined to purchase the flood insurance, whenever homeowners or renters coverage is sold or renewed. This could be expanded to include in a separate question the declination in writing of optional sewer back-up coverage when available in a homeowners insurance policy.



3. Flood map accuracy has long been an issue for people required to purchase flood insurance by their lender. It is believed that increasing the public's confidence in their communities' flood maps may result in increased flood insurance coverage. The Dept. of Natural Resources has created a flood plain mapping program with the goal of providing new, digital flood insurance rate maps (FIRMs) for all 99 counties based on the State's 2-ft. interval LiDAR coverage. However, while the flood maps produced by the DNR's mapping program will be a major improvement over existing maps, most will only be approximate products that will not have the accuracy of a detailed flood insurance study. In order to increase the number of stream miles with detailed flood insurance studies, additional resources will be required. One possible source of additional funding may be realized using an approach used in other states such as Oregon, South Carolina, Minnesota and Montana, that being the adoption of small deed transaction fees (typically one dollar per transaction) used to support GIS efforts which could include flood plain mapping. *We have not yet been able to determine the number of such transactions in Iowa, but as an example, Oregon raised about one million dollars this way.*
4. A note about outreach efforts currently underway.
  - a. The five years from May, 2003 to May, 2008, saw the number of policies issued increase by a little more than 10%. Since that time they have risen by an additional 42% in about a year. The silver lining to be found in the tragedy of the flooding is that people are more aware of the potential for flooding than ever before and are more likely to be receptive to the idea of purchasing flood insurance. The danger is that in the past increased awareness has faded over time, so increased levels of educational outreach are needed to counter the typical pattern of dropoff in citizen awareness and their motivation to purchase this protection in successive years following a flood.
  - b. Efforts currently in force that have contributed to the dramatic increase in NFIP coverage include the following efforts and more.
    - i. FEMA has embarked on a pilot program with a number of participating insurance agencies to increase their knowledge and marketing of flood insurance.
    - ii. The Insurance Division has been approved to receive federal funding for a multi-year, community-centered awareness outreach with both broad messages statewide and local programs focused on structures in flood plains. RIO and DNR are participating in this outreach effort, as well.
    - iii. Rebuild Iowa Office (RIO) organized and conducted regional Flood Forums to get information and assistance to residents of flood-damaged and flood-threatened communities. RIO was joined by several agencies, including DNR, IID, FEMA and others.



- iv. As recently as September, the Independent Insurance Agents of Iowa initiated a special incentive drive in which agents will receive additional commission on their sales of flood insurance.
- c. The agencies involved in this process will continue to provide educational outreach regardless of the success of any future legislative actions, to the extent possible with funding resources such as the federal grant.